Sep Secret

POLAND: Crisis Defused for Time Being

Although the regime's retreat on Monday on the issue of registering Solidarity and the union's cancellation of strikes slated to begin today oain the immediate crisis, many contentious problems have yet to be resolved, and the possibility of a serious confrontation remains; in mid-December the unions will review the regime's performance in carrying out the Gdansk agreements.

The compromise agreement handed down as a Supreme Court ruling is similar to the one the regime was unwilling to accept last month. Solidarity will recognize the leading role of the party in an annex to its charter, which will contain the pertinent articles from the Gdansk agreements signed on 31 August as well as several conventions of the International Labor Organization.

Whether the government reversed itself at the last moment or was bluffing all along is not clear. If it was a reversal, the question arises whether the Soviets agreed to the action; Moscow has not yet commented. If it was a bluff to get the workers back on the job after the Court's action, the regime may have accomplished its purpose.

Reasons for Retreat

In either case, Prime Minister Kania probably believed his regime might not survive a round of strikes more severe than those of 3 October. He probably suspected that new strikes would be only the first in a series of union actions.

Kania would then be under increased pressure from party hardliners and the Soviets to use force. Once the police or military became involved, the chances for bloodshed and Soviet intervention would have increased. Kania thus chose the course that would cause the least damage in the short term.

The regime probably believes it has bought time, but it may not be able to use it effectively. The party and government bureaucracy are demoralized and, especially at the lower levels, are ineffective.

Approved for Release Date AUG 1999 --continued

Top Secret

12 November 1980

-Top Secret

By contrast, Solidarity and the freely chosen professional organizations that are being established enjoy a legitimacy the party and government have never had. The party will have to establish a working relationship with these new forces to have any chance of success in tackling Poland's serious economic and social problems.

Future Problems

A cooperative relationship will not come easily. Solidarity leader Walesa and other moderates in the union leadership are willing to work for positive objectives, but this approach depends heavily on the party's behavior. Some party officials still believe that they must keep the union leaders on the defensive and make it difficult for union moderates to prevail. Last weekend's events have strengthened the belief of the more militant members of Solidarity that the government will make concessions only under duress.

It is not clear how well or quickly the new unions will be able to shift the attention of their members from pay increases to the need for greater productivity. Worker frustrations will increase as the economic situation deteriorates, and the new union leaders will not feel they can ignore members' demands.

Numerous issues could increase tensions during the coming months. Media access for the new unions, the formulation of a new trade union law, censorship, and economic reform carry the seeds of future crises.

The planned union review in mid-December of whether the regime has complied with the Gdansk agreements could be crucial. Union leaders may threaten additional strikes if they conclude that the government is being dilatory or is seeking to water down the agreements.